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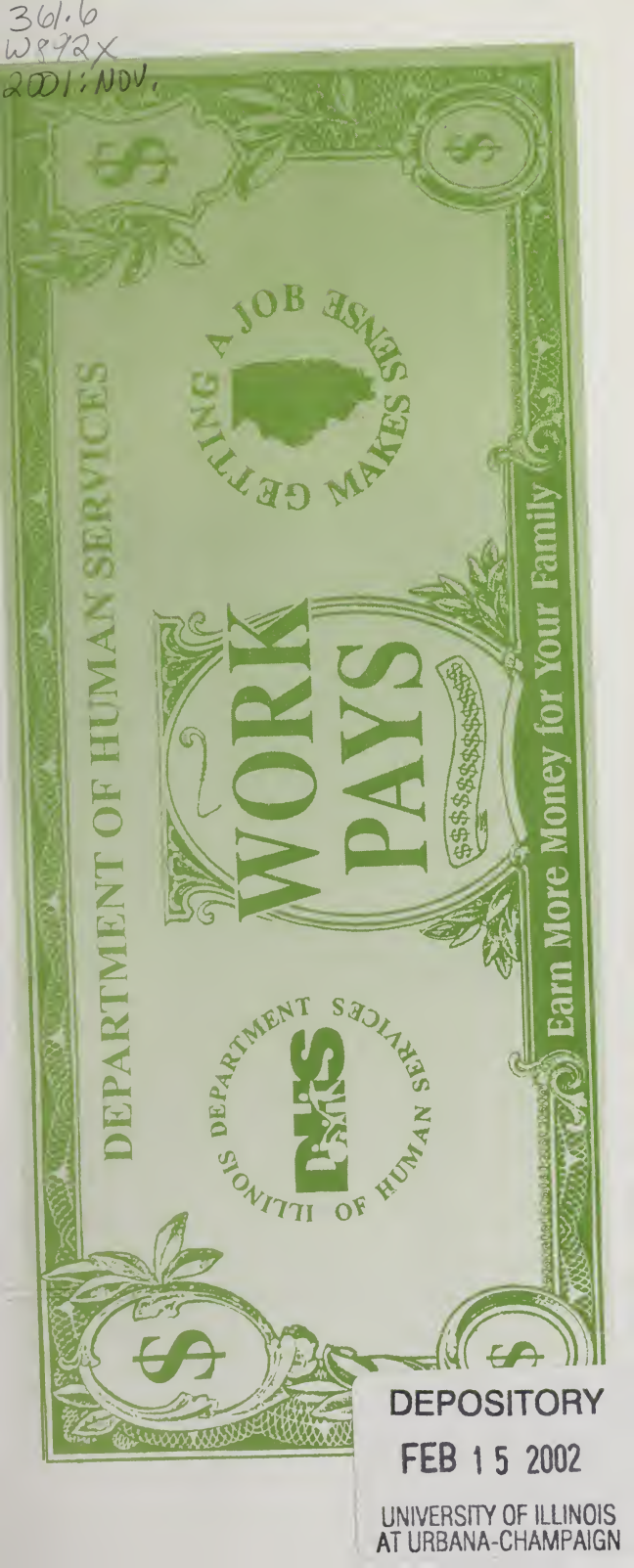

DEPOSITORY
FEB 15 2002
UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

In Illinois, WORK PAYS!

If you receive Temporary Assistance for Needy Families (TANF) and get a job, you:

- keep your paycheck and
- continue to receive medical assistance.

You may also be eligible to receive:

- cash assistance,
- food stamps,
- help paying for your child care and
- cash for federal Earned Income Tax Credits.

Work Pays means more money for your family!

Work Pays lets you keep a portion of your grant while you work. Your grant will be reduced by only $1 for every $3 of gross income earned from your job.

With Work Pays, a job means that you receive more money to support your family.

Example:

If you receive $377 monthly in TANF assistance and have a job that pays $600 a month, your monthly income could go up to $777.

Here's how it works.

The TANF grant is reduced $1 for every $3 of gross earnings. (Gross pay is the amount before payroll deductions.) In this example, your TANF grant would be reduced by $200 (1/3 of $600 = $200).

Your grant of $377 less $200 leaves a grant of $177.

You would then make $600 gross from the job and receive a $177 TANF grant, for a total of $777.

With Work Pays, it's easy to know what your monthly grant will be when you work. Talk it over with your DHS caseworker.

To get all of the financial benefits of Work Pays, **you must report your employment to your caseworker within 10 days of getting a job.** If you don't report your employment, you will not receive the benefits of Work Pays. Also, your future TANF grants will be greatly reduced. These reductions will occur even if you are no longer working and your only source of income is from your TANF grant.

You are still eligible for medical coverage, child care and food stamp benefits.

As long as you receive cash assistance, you are eligible for medical coverage and child care payments.

And, when your income becomes high enough that you no longer qualify for a TANF grant, you will still receive medical coverage for up to 12 more months. You may also still be eligible for food stamps and for help with your child care costs.

You may qualify for Earned Income Tax Credit (EITC) cash payments.

Low-income, working families with children can get extra cash by applying for the federal Earned Income Tax Credit. You can receive the EITC through your federal tax refund, or it can be added to your paychecks throughout the year.

Your EITC benefit depends on your income and family size. Eligible families with one child who earn less than $28,281 can qualify for a tax credit of up to $2,428. Eligible families with more children who earn less than $32,121 may qualify for a credit of up to $4,008.

which could save you up to $200 in state income taxes.

Example:

For the 2001 tax year, a single parent with two children earning between $10,000 and $13,100 a year could qualify for a total tax credit payment of $4,008. This parent could take the credit in one refund payment of $4,008 or take partial payments ongoing throughout the year with each paycheck and then receive a smaller refund check at the end of the year.

Ask your employer for IRS Form W-5, EITC Advance Payment Certificate, to get the advance payments. Your DHS caseworker can also give you the form. If you have problems with the form, ask your payroll office or the IRS for help.

You can receive tax credits even if you do not owe any federal income tax. If you do owe federal taxes, the tax credit reduces the amount you owe. If your tax credit is larger than the taxes owed, the IRS will send you a refund.

EITC payments **do not count** against your TANF grant, medical assistance, food stamps or any other public assistance benefits you may be receiving.

In many areas of Illinois, DHS supports programs that help you complete and file your federal and state income taxes **for free.** Ask your DHS caseworker for more information.

Call or visit your local Human Services office.

If you have questions about any Department of Human Services (DHS) program, call or visit your local DHS office. We will answer your questions. If you do not know where your local DHS office is or you are unable to go there, call:

1-800-252-8635

1-800-447-6404 (TTY)

Illinois Department of Human Services
Bureau of Customer Inquiry and Assistance

Monday - Friday
(except state holidays)
Quick Answer System hours: 7:30 a.m. - 7 p.m.
Representatives available: 8 a.m. - 5:30 p.m.

For answers to your questions, you may also write:

Illinois Department of Human Services
Bureau of Provider Assistance
and Correspondence
100 South Grand Avenue, East
Springfield, Illinois 62762

Visit our website at:

www.state.il.us/agency/dhs

Programs, activities and employment opportunities in the Illinois Department of Human Services are open and accessible to any individual or group without regard to age, sex, race, sexual orientation, disability, ethnic origin or religion. The department is an equal opportunity employer and practices affirmative action and reasonable accommodation programs.

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